

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

**FILED**

MAY 25 2010

In re:

CANOPY FINANCIAL, INC.,

Debtor.

EUGENE R. WEDOFF,  
BANKRUPTCY JUDGE

Case No. 09 B 44943

Chapter 07

**FINDINGS OF FACT AND CONCLUSIONS OF LAW IN SUPPORT OF ORDER ALLOWING  
POLSINELLI SHUGHART PC, SPECIAL COUNSEL TO THE DEBTOR, INTERIM COMPENSATION  
AND REIMBURSEMENT OF EXPENSES**

TOTAL FEES REQUESTED:	\$31,452.00	TOTAL COSTS REQUESTED:	\$162.10
TOTAL FEES REDUCED:	\$0.00	TOTAL COSTS REDUCED:	\$162.10
TOTAL FEES ALLOWED:	\$31,452.00	TOTAL COSTS ALLOWED:	\$0.00

**TOTAL FEES AND COSTS ALLOWED: \$31,452.00**

The attached time and expense entries are marked to indicate those disallowed in whole or in part. The basis for each disallowance is disclosed by the numerical notation that appears on the right side of each underlined entry. The numerical notations refer to the enumerated paragraphs below.

**(4) Insufficient Description**

The Court denies the allowance of compensation for the following task since the description of the time entry fails to identify in a reasonable manner the service rendered. *In re Pettibone*, 74 B.R. 293, 301 (Bankr. N.D. Ill. 1987) ("A proper fee application must list each activity, its date, the attorney who performed the work, a description of the nature and substance of the work performed, and the time spent on the work. [Citation omitted] Records which give no explanation of the activities performed are not compensable."); *In re Wildman*, 72 B.R. 700, 708-9 (Bankr. N.D. Ill. 1987) (same).

**(11) Overhead Costs are Non-Compensable**

The Court denies reimbursement for fees or expenses that are overhead costs. Expenses which are overhead are not compensable because they are built into the hourly rate. See *In re Wildman*, 72 B.R. 700, 731 (Bankr. N.D. Ill. 1987). Overhead, for bankruptcy purposes, includes "all continuous administrative or general costs or expenses incident to the operation of the firm which cannot be attributed to a particular client or cost." *In re Convent Guardian Corp.*, 103 B.R. 937, 939-40 (Bankr. N.D. Ill. 1989) (quoting *In re Thacker*, 48 B.R. 161, 164 (Bankr. N.D. Ill. 1985)).

Dated: May 25, 2010

  
Eugene R. Wedoff  
United States Bankruptcy Judge

# Polsinelli Shughart PC

## Invoice Detail

For Professional Services Through 3/31/10  
File No. 061989-407456  
Re: General Administration

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### Professional Services

Date	Description	Tmkpr	Hours	Amount
1/25/10	Call with estate creditor re claims and submission of same (.1).	JLSWI	0.10	\$42.50
2/11/10	Review notice of deadline to file claims; calendar management.	JESOH	0.10	24.00
2/19/10	Worked with J. Soh re reviewing claims register for claims filed by Coventry Healthcare, Blue Cross and Northern Trust.	JLSWI	0.10	42.50
2/20/10	Review claims register for Coventry, BCBS and Northern Trust claims (0.2); review Coventry Health Care claim and forward same to Mr Switzer (0.1).	JESOH	0.30	72.00
2/22/10	Confer with Mr. Switzer re claims assignment (0.1); pull additional claims for review from claims register (0.1); review application to employ debtor's counsel and calendar management (0.1).	JESOH	0.30	72.00
3/12/10	Reviewed trustee's inventory of estate property.	JLSWI	0.10	42.50
3/15/10	Call with R. Angart re reconciliation of accounts relating to potential claims against various entities and related issues.	JLSWI	0.20	85.00
3/25/10	Call and exchanged emails with H. Baer, counsel for PayFlex, re Coventry related issues (.3); exchanged emails with G. Paloian re same (.2)	JLSWI	0.50	212.50
<b>Total Professional Services</b>				<b>\$593.00</b>

### Timekeeper Summary

Timekeeper	Title	Rate	Hours	Amount
J.L. Switzer	Shareholder	425.00	1.00	\$425.00
J. Soh	Associate	240.00	0.70	168.00
<b>Total Professional Charges</b>				<b>\$593.00</b>

### Disbursements

Date	Description	Amount
	Telephone	(4) -1.30 \$1.30
<b>Total Disbursements</b>		<b>\$1.30</b>
<b>Total Professional Services</b>		<b>\$593.00</b>

### Payment Terms: Net 30

Late Payment Charge: 1% per month may be charged on outstanding balances

**Polsinelli Shughart PC****Invoice Detail**

For Professional Services Through 3/31/10

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File No. 061989-407718

Re: Assumption/Rejection of Contracts/Leases

2/11/10	Revised motion to extend time to assume/reject Blue Cross policy and to reject same (.6); exchanged messages and emails with G. Paloian regarding motion and open issues (.1); exchanged emails with G. Paloian and R. Angart re status of premium payments (.1).	JLSWI	0.80	340.00
2/12/10	Reviewed Dell leases to confirm whether they are capital leases (.5); call and exchanged emails with J. DeJonker re same (.3); worked on issues re extension of time to assume/reject Blue Cross policy (.2).	JLSWI	1.00	425.00
2/12/10	Amend motion to extend then reject Blue Cross contract and prepare to serve same (0.1). Confer with Mr. Switzer re Dell leases and possible abandonment of same (0.1).	JESOH	0.20	48.00
2/15/10	Reviewed information regarding PayFlex's intention to take assignment of Dell leases and procedure for same.	JLSWI	0.10	42.50
2/16/10	E-file and serve Motion to Extend then Reject Blue Cross Health Benefits Plan.	JESOH	0.50	120.00
2/22/10	Exchanged emails with representatives of Dell, trustee and debtor re status of proposed assumption of Dell leases and analyzed whether to reject remaining leases (.3); reviewed Dell proof of claim under 503(b)(9) (.1); reviewed proofs of claim filed by Monroe landlord re rejection damages (.2).	JLSWI	0.60	255.00
2/23/10	Review BCBS contract for executory provisions (0.2). Attend hearing on motion to extend/reject BCBS contract (0.90).	JESOH	1.10	264.00
<b>Total Professional Services</b>				<b>\$8,994.00</b>

**Timekeeper Summary**

Timekeeper	Title	Rate	Hours	Amount
J.L. Switzer	Shareholder	425.00	13.20	\$5,610.00
J. Soh	Associate	240.00	14.10	3,384.00
<b>Total Professional Charges</b>			<b>27.30</b>	<b>\$8,994.00</b>

**Disbursements**

Date	Description	Amount
	Westlaw Computer Research	⑪ -160.80 \$160.80
<b>Total Disbursements</b>		<b>\$160.80</b>
Total Professional Services		\$8,994.00
Total Disbursements		<u>160.80</u>

**Payment Terms: Net 30**

Late Payment Charge: 1% per month may be charged on outstanding balances